

HED Property
Owners Association
Directors

★★★

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*Tronson Investment
Group*

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The Avalon

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Max Factor Bldg.

David Gajda
Hollywood Software

William Hertz
Mann Theatres

Nathan Korman
1723 Wilcox

Ron Radachy
Oasis of Hollywood

Alan Sieroty
Sieroty Company

Robert Victor
*Vanowen Realty
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Kerry Morrison
Executive Director



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January 2, 2004

TO: Karen Kalfayan
Office of the City Clerk

FROM: Kerry Morrison
Executive Director
Hollywood Entertainment District POA

SUBJECT: Fourth Quarter
October 1, 2003 – December 31, 2003

As is required in our Agreement with the City of Los Angeles, I am submitting our Fourth Quarter Report to summarize key activities of the Hollywood Entertainment District.

I. Operational Issues

- At the November Annual Meeting of the HEDPOA, five directors were elected for three-year terms: Robert Victor, Tej Sundher, John Tronson, Ron Radachy and Bill Hertz. The Directors elected officers for one-year terms: John Tronson, President; Joel Fisher, Vice President; Tej Sundher, Secretary; and Rick Beltz, Treasurer
- Russ Joyner, representing the Hollywood and Highland property (Trizec Properties) resigned effective November 30, 2003 to take a new job in Las Vegas.
- An ad-hoc Budget Working Group was appointed in November to work on a detailed operating budget for the 2004 calendar year. Participating on that working group were: Rick Beltz, Joel Fisher, Bob Victor and Tej Sundher. The Board was presented with a draft budget to review at their December 2003 Board meeting, and it will be finalized in January.
- RFP's were mailed to three potential firms for the HEDPOA's financial services contract. Two proposals were received by the December 12, 2003 deadline. These firms will be interviewed in January by the Budget Working Group, who will make a final recommendation to the Board at

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their January 22, 2004 meeting.

- The Board authorized entering into a \$100,000 line of credit with First Regional Bank to cover expenses that accrue in January, 2004, before assessment revenue is received from the city of Los Angeles.
- Kerry Morrison was deposed in the Gleason v. CIM/City of Los Angeles case, which involved a visitor to Hollywood who tripped in an open tree well at 6922 Hollywood Boulevard. As a result of the deposition, the HEDPOA was released from the case. However, partially as a result of this case, the Association's general liability insurance carrier, Nautilus Insurance Company, refused to extend G/L coverage to the Association for the new year.
- The Association hired an attorney, Paul Hastings Janofsky, to respond to a letter sent by an attorney for Nastec Security, who complained as to the process used by the HEDPOA in selecting a security services vendor. The Association also sent a letter to Mayor Hahn, Councilmember Eric Garcetti and City Attorney Rocky Delgadillo on the same topic, when a letter arrived from the City Attorney's office on a similar topic.

II Security

- From January 1 through the end of the December, HED Security initiated over 850 citizens arrests and 3,300 warnings/contacts.
- The Security Committee conducted interviews with four finalists for the security services contract on October 14, 2003. (This was after 25 RFP's were mailed, and nine proposals were received and reviewed by the committee.) The four finalists were Nastec, Securitas, Advanced Tech and Burke Executive Security. The committee voted to offer the contract to Burke Security for another two years, and this recommendation was made to the full Board on October 23. The Board approved this recommendation.
- The Security Committee sent out surveys to property owners and businesses in December, to help ascertain program priorities and scheduling for the new year.
- The HED is participating on a special task force organized by the LAPD to develop a protocol guiding BID/LAPD relationships and communications. The committee met twice during this quarter.

III Streetscape Issues

- The HEDPOA is a member of a city-wide coalition called CLEAN (Coalition for LA's Enforcement Applied to Newsracks) that is advocating for the city's enforcement of the existing newsrack ordinance in the city of Los Angeles. Morrison testified on behalf of the HED and the Coalition at a public hearing in front of the Council Public Works Committee on November 12. After that meeting, at the urging of Councilmember Tom LaBonge, a delegate group from the publishers and the CLEAN coalition agreed to meet to hammer out areas of agreement and disagreement. Two such meetings were held at the LA Times in November and December, in preparation for a January 14, 2004 hearing of the Public Works Committee.
- The HEDPOA organized a meeting between the various parties of interest in the street furniture discussions on November 4: Viacom/Decaux, CD-13, Chamber, Walk of Fame, CRA and HED. A subsequent walk-through of the BID area was conducted on November 18, to determine appropriate locations for public toilets and public kiosks. Meetings will resume in January, once the city engineers make their determination of the appropriateness of public toilet locations.
- HED has documented an instance where Viacom Outdoor illegally trimmed a Canary Island Date Palm at the NW corner of Hollywood and Highland. HED consulted with the Street Tree Division of the city, and ultimately an attorney who specializes in arbor law. In late October, Viacom wrote a letter to HED vowing to refrain from trimming, or seeking permits to trim trees in the HED without seeking permission from the HED. Additionally, HED has consulted with a palm tree expert as to possible damage this particular tree may have suffered from the severe pruning. This documentation will pave the way for a potential claim against Viacom Outdoor should this particular tree fail in the next several years.
- The maintenance contract was placed out for bid in the fourth quarter. RFP's were sent to seven potential vendors on November 21, and a pre-bid meeting was held on December 3, 2003. The deadline to submit proposals was December 15, and interviews will be conducted with three finalists in early January.
- Morrison sent a letter to Mary Marcus in the Bureau of Street Lighting, which has the responsibility for managing the affairs of the Hollywood-Vine Assessment District. Morrison learned earlier in the summer that \$150,000 had accumulated in the HVAD account, which has been on hiatus for the last two years. The HEDPOA would like to work under contract to the city of Los Angeles to put that money toward maintenance

along the Walk of Fame, similar to the contract that expired in 1999.

- The Streetscape Committee, with Board approval, authorized a one-time clean up of all the alleys in the BID during November. In the future, the Committee is encouraging property owners to hire Clean Street directly for this service.

IV Marketing Issues

- LA, Inc. made a formal presentation to the HEDPOA Board of Directors to request the HED's participation in the April POW-WOW International Travel Trade Show and Marketplace, which is coming to Los Angeles. LA, Inc. requested a \$25,000 sponsorship from the HED. The Board voted in November, 2003 to contribute \$15,000 to the event, subject to the event being held on the street to showcase the larger Entertainment District, and not within an enclosed venue (e.g., Hollywood & Highland).
- A subcommittee reviewed proposals from web designers interested in securing the contract to upgrade the www.hollywoodbid.org website. Two finalists were interviewed on December 15, and the decision was made to hire WebTV Network for \$10,000 to undertake this project over the first quarter of 2004.
- The Association hosted a group of BID stakeholders for a lunch in November to share observations on media trends in the District, and come up with themes and talking points to create a coordinate media communications strategy for the coming half year.